

TABLE I

**CITY OF ARLINGTON, TEXAS
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST THREE FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
General Government	\$34,330	\$28,511	\$30,646
Public Safety	90,417	89,554	93,852
Public Works	55,327	57,768	55,350
Public Health	2,100	1,424	1,321
Parks & Recreation	20,669	21,327	20,633
Public Welfare	5,288	7,282	5,410
Convention and Event Services	5,426	5,478	5,347
Interest and fiscal charges	15,674	15,102	14,548
Water and Sewer	68,106	68,282	67,232
Landfill	<u>7,743</u>	<u>1,731</u>	<u>2,207</u>
Total	<u>\$305,080</u>	<u>\$296,459</u>	<u>\$296,546</u>

TABLE II

**CITY OF ARLINGTON, TEXAS
GOVERNMENT-WIDE REVENUES
LAST THREE FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

	<u>2001-2002</u>	<u>2002-2003</u>	<u>2003-2004</u>
Governmental Activities:			
Program Revenues			
Charges for services	\$39,480	\$33,422	\$33,669
Operating grants and contributions	9,430	8,728	7,758
Capital grants and contributions	12,509	8,525	5,730
General Revenues			
Taxes	134,489	145,689	157,143
Utility franchise fees	29,667	29,181	29,321
Interest	3,888	2,040	1,957
Net increase (decrease) in fair value of investments	(380)	(10)	(355)
Miscellaneous	<u>8,290</u>	<u>11,532</u>	<u>10,283</u>
Total Governmental Activities	<u>\$237,373</u>	<u>\$239,107</u>	<u>\$245,506</u>
Business-Type Activities:			
Program Revenues			
Charges for services	\$88,644	\$89,618	\$95,207
Operating grants and contributions	-	-	-
Capital grants and contributions	6,636	6,064	6,656
General Revenues			
Interest	2,394	1,456	1,287
Net increase (decrease) in fair value of investments	(251)	(39)	(223)
Miscellaneous	<u>(4,705)</u>	<u>(9,254)</u>	<u>(7,183)</u>
Total Business-Type Activities	<u>\$92,718</u>	<u>\$87,845</u>	<u>\$95,744</u>
Total Primary Government	<u>\$330,091</u>	<u>\$326,952</u>	<u>\$341,250</u>

TABLE III

CITY OF ARLINGTON, TEXAS
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION - GENERAL FUND
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>General Government (Note A)</u>	<u>Public Safety (Note B)</u>	<u>Public Works (Note C)</u>	<u>Public Health (Note D)</u>	<u>Parks and Recreation (Note E)</u>	<u>Total</u>
1994-1995	\$17,858	\$49,164	\$15,095	\$1,457	\$6,915	\$90,489
1995-1996	17,414	52,451	15,172	1,454	7,571	94,062
1996-1997	19,655	56,150	16,368	1,462	7,845	101,480
1997-1998	19,795	58,923	16,568	1,627	8,927	105,840
1998-1999	21,785	63,519	17,309	1,654	9,566	113,833
1999-2000	23,991	70,464	20,813	1,819	10,193	127,280
2000-2001	26,370	77,911	16,420 ⁽¹⁾	1,851	10,944	133,496
2001-2002	27,431	85,017	17,826	1,931	12,111	144,316
2002-2003	28,467	86,886	18,085	1,051 ⁽²⁾	12,457	146,946
2003-2004	29,702	92,177	17,393	1,150	12,501	152,923

Note A:

General Government includes:

City Manager's Office	Library	City Secretary's Office
Human Resources	Finance	Municipal Court
City Attorney's Office	Information Technology	Nondepartmental

Note B:

Public Safety includes:

Police	Fire
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Note C:

Public Works includes:

Public Works	Support Services
Neighborhood Services	Planning and Development Services

Note D:

Public Health includes:

Animal Control

Note E:

Parks and Recreation includes:

Administration	Operations
Planning	Programs

⁽¹⁾ Beginning in fiscal year 2000-01, the general fund appropriation for street maintenance is reflected as a contribution to the street maintenance fund.

⁽²⁾ Beginning in fiscal year 2002-03, environmental health functions were incorporated into Neighborhood Services and are no longer reported separately.

The figures reported above include all operations of the General Fund.

CITY OF ARLINGTON, TEXAS
GENERAL REVENUES BY SOURCE - GENERAL FUND
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Utility Franchise Fees</u>	<u>Fines and Forfeitures</u>	<u>Leases, Rents and Concessions</u>
1994-1995	\$55,161	\$2,576	\$17,958	\$3,419	\$605
1995-1996	62,022	2,641	19,518	3,527	624
1996-1997	68,770	2,627	19,799	3,333	656
1997-1998	72,064	2,823	21,422	4,163	706
1998-1999	77,009	3,220	23,187	5,129	694
1999-2000	83,153	3,173	26,639	5,135	697
2000-2001	88,516	3,498	31,201	5,919	866
2001-2002	90,848	3,837	29,635	6,787	3,548
2002-2003	94,371	3,833	29,163	7,475	2,908
2003-2004	102,657	4,160	29,371	7,318	3,026

Note: These revenue amounts represent the operations of the General Fund.

⁽¹⁾ Includes net increase (decrease) in the fair value of investments beginning in FY 1997-1998.

TABLE IV

<u>Service Charges</u>	<u>Interest Revenue</u>	<u>Other</u>	<u>Total</u>	<u>Percentage Increase (Decrease) from Previous Year</u>
\$2,658	\$1,531	\$ -	\$83,908	1.68%
3,192	1,787	-	93,311	11.21
4,550	751	-	100,486	7.69
4,866	680 ⁽¹⁾	-	106,724	6.21
4,352	990	-	114,581	7.36
3,551	1,253	-	123,601	7.87
4,822	1,241	-	136,063	10.08
5,648	803	1,350	142,456	4.70
5,388	499	500	144,137	1.18
4,696	380	500	152,108	5.53

CITY OF ARLINGTON, TEXAS
FINANCIAL SUMMARY - WATER AND SEWER FUND
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
ANNUAL STATISTICS:				
Water sales	\$44,857	\$47,206	\$45,855	\$39,901 ⁽¹⁾
Sewer service	<u>37,615</u>	<u>30,058</u>	<u>29,733</u>	<u>29,366</u>
Total operating and nonoperating revenues	\$89,269	\$82,891	\$82,166	\$77,302
Expenses and net transfers not including depreciation	<u>58,400</u>	<u>59,014</u>	<u>59,338</u>	<u>59,292</u>
Income before transfers and depreciation	30,869	23,877	22,828	18,010
Provision for depreciation	(9,313)	(9,010)	(8,484)	(7,803)
Contributions and net transfers	<u>3,433</u>	<u>2,589</u>	<u>3,794</u>	<u>-</u>
Change in Net Asset/Net income	<u>\$24,989</u>	<u>\$17,456</u>	<u>\$18,138</u>	<u>\$10,207</u>
Metered water billed (thousands of gallons)	18,814,196	19,451,765	19,041,857	20,258,759
Average water revenue per thousand gallons	\$2.41	\$2.42	\$2.43	\$2.37
Average gallons of water billed per billing unit per month	16,521	18,710	17,149	18,030
YEAR-END STATISTICS:				
Utility plant-net	\$414,073	\$394,598	\$378,747	\$362,488
Serial and term bonds payable ⁽²⁾	\$87,935	\$83,650	\$94,575	\$90,955

⁽¹⁾ Water sales in fiscal year 2001 reflect a refund of \$7.0 million.

⁽²⁾ Amounts exclude Trinity River Authority bonds payable for fiscal years 1995-1999. Final payment on these bonds was made in fiscal year 2000.

TABLE V

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
<u>\$50,818</u>	<u>\$46,924</u>	<u>\$48,477</u>	<u>\$42,132</u>	<u>\$42,956</u>	<u>\$38,141</u>
<u>29,546</u>	<u>28,408</u>	<u>27,763</u>	<u>27,039</u>	<u>27,685</u>	<u>25,398</u>
\$89,134	\$83,490	\$85,170	\$77,825	\$78,051	\$70,176
<u>59,418</u>	<u>55,407</u>	<u>57,167</u>	<u>56,826</u>	<u>50,674</u>	<u>56,981</u>
29,716	28,083	28,003	20,999	27,377	13,195
<u>(7,444)</u>	<u>(7,137)</u>	<u>(7,191)</u>	<u>(6,781)</u>	<u>(6,523)</u>	<u>(6,232)</u>
<u>\$22,272</u>	<u>\$20,946</u>	<u>\$20,812</u>	<u>\$14,218</u>	<u>\$20,854</u>	<u>\$6,963</u>
20,753,412	18,730,638	19,476,195	16,278,920	17,390,398	15,300,118
\$2.39	\$2.50	\$2.48	\$2.53	\$2.47	\$2.49
18,999	17,619	18,789	15,997	17,630	15,682
\$335,470	\$320,036	\$286,410	\$262,165	\$254,548	\$248,448
\$83,060	\$93,460	\$86,410	\$112,950	\$109,520	\$106,450

TABLE VI

CITY OF ARLINGTON, TEXAS
WATER AND SEWER EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Water Office and Administration⁽¹⁾</u>	<u>Water Treatment and Operations</u>	<u>Laboratory and Pollution Control</u>	<u>Wastewater Operations and Support</u>	<u>Total</u>
1994-1995	\$28,826	\$20,411	\$1,088	\$17,462	\$67,787
1995-1996	30,659	20,280	1,091	16,420	68,450
1996-1997	30,311	21,103	1,349	14,971	67,734
1997-1998	31,117	22,667	1,043	14,256	69,083
1998-1999	30,143	21,437	1,076	15,661	68,317
1999-2000	31,438	24,228	1,194	16,930	73,790
2000-2001	31,282	24,380	1,198	17,884	74,744
2001-2002	32,644	23,957	1,213	19,390	77,204
2002-2003	29,363	23,229	1,362	19,262	73,216
2003-2004	31,344	24,250	1,298	19,806	76,698

Note: These expenses are presented on a budgetary basis; therefore, these amounts do not correspond to the expenses presented in the Enterprise Fund Statement of Revenues, Expenses and Changes in Fund Net Assets for Proprietary Funds, as the accrual basis of accounting is used to prepare the financial statements.

⁽¹⁾ Includes administration, customer service, and engineering expenses.

CITY OF ARLINGTON, TEXAS
WATER AND SEWER REVENUES BY SOURCE
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Water Revenue</u>	<u>Sewer Revenue</u>	<u>TRA Revenue</u>	<u>Sundry Revenue</u>	<u>Interest⁽¹⁾</u>	<u>Total</u>
1994-1995	\$38,141	\$25,398	\$100	\$3,871	\$2,666	\$70,176
1995-1996	42,956	27,685	100	4,095	3,215	78,051
1996-1997	42,132	27,039	121	4,239	4,294	77,825
1997-1998	48,477	27,763	125	4,920	3,885	85,170
1998-1999	46,924	28,408	125	5,598	2,435	83,490
1999-2000	50,818	29,546	125	5,295	3,350	89,134
2000-2001	39,901 ⁽²⁾	29,366	125	5,089	2,821	77,302
2001-2002	45,855	29,733	21	5,138	1,419	82,166
2002-2003	47,206	30,058	-	4,626	1,001	82,891
2003-2004	44,857	37,615	-	6,002	795	89,269

⁽¹⁾ Includes net increase (decrease) in fair value of investments beginning in fiscal year 1997-1998.

⁽²⁾ Water sales in fiscal year 2001 reflect a refund of \$7.0 million.

**CITY OF ARLINGTON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Tax Collections</u>	<u>Collections As a Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as a Percent of Current Levy</u>
1994-1995	\$54,305	\$54,261	99.92%	\$3,128	5.76%
1995-1996	58,375	57,772	98.97	3,119	5.34
1996-1997	62,105	61,443	98.93	3,190	5.14
1997-1998	64,955	64,125	98.72	3,374	5.19
1998-1999	69,342	68,617	98.95	3,726	5.37
1999-2000	72,829	71,725	98.48	3,969	5.45
2000-2001	78,839	77,700	98.56	4,132	5.24
2001-2002	85,675	84,219	98.30	4,190	4.89
2002-2003	90,941	89,260	98.15	4,756	5.23
2003-2004	97,321	96,929	99.60	5,090	5.23

CITY OF ARLINGTON, TEXAS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Real Property</u>		<u>Personal Property</u>		<u>Total⁽¹⁾</u>		<u>Ratio of Total Assessed to Total Estimated Actual Value</u>
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
1994-1995	\$6,853,513	\$6,853,513	\$1,609,211	\$1,609,211	\$8,462,724	\$8,462,724	100%
1995-1996	7,380,393	7,380,393	1,740,699	1,740,699	9,121,092	9,121,092	100
1996-1997	7,830,396	7,830,396	1,873,526	1,873,526	9,703,922	9,703,922	100
1997-1998	8,260,016	8,260,016	1,920,975	1,920,975	10,180,991	10,180,991	100
1998-1999	8,905,619	8,905,619	1,962,967	1,962,967	10,868,586	10,868,586	100
1999-2000	9,466,395	9,466,395	1,948,751	1,948,751	11,415,146	11,415,146	100
2000-2001	10,344,385	10,344,385	2,090,767	2,090,767	12,435,152	12,435,152	100
2001-2002	11,304,547	11,304,547	2,208,832	2,208,832	13,513,379	13,513,379	100
2002-2003	12,099,808	12,099,808	2,244,193	2,244,193	14,344,001	14,344,001	100
2003-2004	12,899,757	12,899,757	2,118,968	2,118,968	15,018,725	15,018,725	100

⁽¹⁾ Assessed and estimated actual value of taxable property is obtained from the certified value as of September of each tax year including minimum estimated value of property under protest.

CITY OF ARLINGTON, TEXAS
TAX REVENUES BY SOURCE - GENERAL FUND
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Total Taxes</u>	<u>General Property Tax</u>	<u>General Sales Tax</u>	<u>State Liquor Tax</u>	<u>Criminal Justice Tax</u>	<u>Bingo Tax</u>	<u>Payment In Lieu Of Taxes</u>	<u>Banking Revenue Allocation</u>	<u>Justice Court Costs</u>
1994-1995	\$55,161	\$21,789	\$32,307	\$763	\$141	\$96	\$ 65 ⁽¹⁾	\$ -	\$ -
1995-1996	62,022	24,657	34,660	794	193	142	1,576	-	-
1996-1997	68,770	28,998	36,976	855	156	139	1,646	-	-
1997-1998	72,064	31,573	37,573	872	243	132	1,671	-	-
1998-1999	77,009	34,840	39,130	933	255	118	1,733	-	-
1999-2000	83,153	36,522	43,384	1,000	247	112	1,888	-	-
2000-2001	88,516	40,593	44,436	1,036	255	107	2,089	-	-
2001-2002	90,848	46,026	41,173	1,041	245	104	2,259	-	-
2002-2003	94,371	51,958	38,695	970	299	111	2,338	-	-
2003-2004	102,657	58,972	39,664	982	360	111	2,568	-	-

⁽¹⁾ During this fiscal year, the City did not charge the payment in lieu of taxes to the Water and Sewer Fund.

**CITY OF ARLINGTON, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
SEPTEMBER 30, 2004 (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>⁽¹⁾	<u>Percentage Applicable to City</u>⁽²⁾	<u>Arlington Taxpayers' Share of Debt</u>
Direct-			
City of Arlington	<u>\$ 290,712</u>	100.00%	<u>\$290,712</u>
Overlapping-			
Arlington I.S.D. ⁽³⁾	554,519	78.16	433,412
Tarrant County	173,989	18.08	31,457
Tarrant County College District	69,066	18.08	12,487
Tarrant County Hospital District	39,403	18.08	7,124
Kennedale I.S.D. ⁽³⁾	39,400	20.91	8,239
Mansfield I.S.D. ⁽³⁾	411,837	11.66	48,020
Hurst-Euless-Bedford I.S.D. ⁽³⁾	<u>231,739</u>	3.90	<u>9,038</u>
Total Overlapping Debt	<u>\$1,519,953</u>		<u>\$549,777</u>
Total Direct and Overlapping Debt	<u>\$1,810,665</u>		<u>\$840,489</u>

(1) Gross tax supported debt outstanding less applicable amounts available in Debt Service Funds.

(2) Source: Texas Municipal Reports, Compiled and Published by Municipal Advisory Council of Texas

(3) Substantially all of the City's residents are located within the Arlington I.S.D. Although the Fort Worth I.S.D. also has taxing jurisdiction within a portion of the City, reference to this district has been intentionally omitted because less than 1 percent of their total debt is paid by residents of the City.

**CITY OF ARLINGTON, TEXAS
PROPERTY TAX RATES OF DIRECT AND
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS (Unaudited)**

TAX RATES⁽¹⁾ (Per \$100 Assessed Valuation)						
Fiscal Year	City of Arlington⁽²⁾	Tarrant County⁽³⁾	Arlington Independent School District	Hurst- Euleess-Bedford Independent School District	Kennedale Independent School District	Mansfield Independent School District
1994-1995	\$.6417	\$.57302	\$1.36156	\$1.535	\$1.533	\$1.47782
1995-1996	.6400	.561903	1.34956	1.534467	1.533	1.47782
1996-1997	.6400	.556626	1.34956	1.61690	1.59332	1.589987
1997-1998	.6380	.556596	1.4386	1.606257	1.66	1.722032
1998-1999	.6380	.605316	1.4962	1.606257	1.665641	1.722
1999-2000	.6380	.605316	1.5935	1.6318	1.550816	1.712
2000-2001	.6340	.615265	1.6244	1.6775	1.612795	1.687
2001-2002	.6340	.615265	1.6544	1.6530	1.612795	1.6714
2002-2003	.6340	.64428	1.7405	1.7119	1.623076	1.682
2003-2004	.6480	.647277	1.755	1.6616	1.614421	1.682

(1) A single property owner's total tax rate would only include one independent school district's (Arlington, Hurst-Euleess-Bedford, Kennedale, or Mansfield) tax rate. Property tax rates are per \$100 assessed valuation.

(2) The City of Arlington, Texas, has the power to levy taxes to the extent of the Constitutional limit permitted by the State of Texas. The State of Texas Constitutional limitation is \$2.50 per hundred dollars valuation for all purposes. This limitation is also stated in the City Charter. Delinquent taxes are subject to a maximum penalty of 12 percent and interest accrued at 12 percent per annum. A tax lien is placed on property for which the taxes have not been paid. The County Office sends tax statements followed by demand letters which set a final date for payment. If payment is not made by the final date, the City of Arlington initiates legal procedures.

(3) This column includes the tax rates for Tarrant County, the Tarrant County Junior College District, and the Tarrant County Hospital District.

**CITY OF ARLINGTON, TEXAS
SPECIAL ASSESSMENT COLLECTIONS
STREET IMPROVEMENTS
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Current Assessments Levied</u>	<u>Current and Delinquent Assessments Collected</u>	<u>Ratio of Collections to Total Amount Due</u>	<u>Total Outstanding Delinquent Assessments</u>
1994-1995	\$403	\$497	22.16%	\$2,149
1995-1996	-	434	20.20	1,715
1996-1997	-	388	22.62	1,327
1997-1998	-	117	8.82	1,210
1998-1999	-	124	10.25	1,086
1999-2000	-	119	10.96	967
2000-2001	-	367	37.95	600
2001-2002	-	72	12.00	528
2002-2003	-	20	3.79	508
2003-2004	-	-	-	508

OUTLINE OF STREET ASSESSMENT PROGRAM

At the completion of a street improvement project, a resolution is passed by the City Council stating that the job is complete. Following this Council action, all abutting property owners must pay in full their street assessments related to the project within 30 days of the first day of the month following the date of the Council resolution in order to avoid interest charges. If a longer payment period is needed, property owners may be allowed up to ten (10) years to make full payment. Interest is charged at a rate of 8 percent per annum on the unpaid balance during the payment period. Assessments on owner-occupied residential properties are not payable until there is a change in the use of the property.

**CITY OF ARLINGTON, TEXAS
SPECIAL ASSESSMENT COLLECTIONS
SEWER IMPROVEMENTS
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Current Assessments Levied</u>	<u>Current and Delinquent Assessments Collected</u>	<u>Ratio of Collections to Total Amount Due</u>	<u>Total Outstanding Current and Delinquent Assessments</u>
1994-1995	-	\$ 3	6.38 %	\$44
1995-1996	-	7	15.91	37
1996-1997	-	4	10.81	33
1997-1998	-	-	-	33
1998-1999	-	-	-	33
1999-2000	-	25	75.76	8
2000-2001	-	4	50.00	4
2001-2002	-	1	25.00	3
2002-2003	-	-	-	3
2003-2004	-	-	-	3

OUTLINE OF SEWER ASSESSMENT PROGRAM

At the completion of a sewer improvement project, a resolution is passed by the City Council stating that the job is complete. Following this Council action, all abutting property owners must pay in full their sewer assessments related to the project within 30 days of the first day of the month following the date of the Council resolution in order to avoid interest charges. If a longer payment period is needed, property owners may be allowed up to three (3) years to make full payment. Interest is charged at a rate of 10 percent per annum on the unpaid balance during the payment period.

CITY OF ARLINGTON, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Estimated Population⁽¹⁾</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt ⁽²⁾</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
1994-1995	281,180	\$ 8,462,724	\$232,280	\$2,989	\$229,291	2.71%	\$815.46
1995-1996	286,293	9,121,092	239,965	2,429	237,536	2.60	829.70
1996-1997	289,315	9,703,922	253,970	1,686	252,284	2.60	872.00
1997-1998	293,991	10,180,991	270,835	1,583	269,252	2.64	915.85
1998-1999	309,859	10,868,586	287,035	1,913	285,122	2.62	920.17
1999-2000	332,969	11,415,146	294,180	1,675	292,505	2.56	878.48
2000-2001	339,215	12,435,152	302,590	1,740	300,850	2.42	886.90
2001-2002	346,197	13,513,379	299,650	1,747	297,903	2.20	860.50
2002-2003	351,719	14,344,001	297,820	2,026	295,794	2.06	841.00
2003-2004	355,634	15,018,725	293,705	2,993	290,712	1.94	817.45

(1) Population estimates are based on percent of occupancy in available residences and census data. The method for estimating occupancy rates was revised beginning in FY 1998-1999.

(2) Includes self-supporting debt which has historically been paid from sources other than ad valorem taxation. For fiscal 2004, the self-supporting debt is \$12,938,454.

**CITY OF ARLINGTON, TEXAS
STATEMENT OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2004 (Unaudited)**

The Home Rule Section of the Texas Constitution, Article 11, Section 5, imposes a maximum tax rate of \$2.50 per \$100 valuation for any one year. The Constitution does not limit the portion of this maximum tax rate that may be used for debt service.

At September 30, 2004, the City had a property tax rate of \$0.648 per \$100 valuation with a tax margin of \$1.852 per \$100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to approximately \$278,146,787 per year could be raised before reaching the maximum allowable tax based on the current year's appraised net taxable value of approximately \$15,018,725,000.

CITY OF ARLINGTON, TEXAS
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL
BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1994-1995	\$21,268	\$12,629	\$33,897	\$90,489	37.46%
1995-1996	22,446	12,735	35,181	94,062	37.40
1996-1997	22,927	13,209	36,136	101,480	35.61
1997-1998	23,095	13,744	36,839	105,840	34.81
1998-1999	23,950	14,857	38,807	113,833	34.09
1999-2000	25,720	15,373	41,093	127,280	32.29
2000-2001	26,730	15,920	42,650	133,496	31.95
2001-2002	27,860	15,663	43,523	144,316	30.16
2002-2003	27,420	15,186	42,606	146,946	28.99
2003-2004	28,270	14,637	42,907	152,923	28.06

**CITY OF ARLINGTON, TEXAS
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Gross Operating Revenues⁽¹⁾</u>	<u>Expenses⁽²⁾</u>	<u>Net Revenue Available for Debt Service⁽³⁾</u>	<u>Average Annual Debt Service Requirement</u>	<u>Coverage⁽⁴⁾</u>
1994-1995	\$67,510	\$47,578	\$19,932	\$8,555	2.33
1995-1996	74,836	42,347	32,489	8,231	3.95
1996-1997	73,531	48,171	25,360	8,232	3.08
1997-1998	81,285	49,716	31,569	6,356	4.97
1998-1999	81,055	50,657	30,398	6,465	4.70
1999-2000	85,784	55,523	30,261	5,959	5.08
2000-2001	74,481 ⁽⁵⁾	55,562	18,919	6,335	2.99
2001-2002	80,747	57,482	23,265	6,664	3.49
2002-2003	81,890	57,309	24,581	6,067	4.05
2003-2004	88,474	57,557	30,917	6,078	5.09

⁽¹⁾ Revenue determined on the full accrual basis.

⁽²⁾ Total expenses less depreciation and bond interest.

⁽³⁾ Gross operating revenues (1) less expenses (2).

⁽⁴⁾ Net revenue available for debt service (3) divided by average annual debt service requirement.

⁽⁵⁾ Gross operating revenues in fiscal year 2001 reflect a refund of \$7.0 million.

**CITY OF ARLINGTON, TEXAS
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Proven Value⁽¹⁾</u>	<u>Construction⁽²⁾</u>		
		<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
1994-1995	\$ 8,462,724	\$ 199,201	\$178,145	\$377,346
1995-1996	9,121,092	179,020	240,764	419,784
1996-1997	9,703,922	219,334	162,068	381,402
1997-1998	10,180,991	190,294	191,062	381,356
1998-1999	10,868,586	291,971	174,702	466,673
1999-2000	11,415,146	243,396	322,746	566,142
2000-2001	12,435,152	288,386	165,334	453,720
2001-2002	13,513,379	319,284	280,269	599,553
2002-2003	14,344,001	296,428	183,985	480,413
2003-2004	15,018,725	309,978	133,719	443,697

⁽¹⁾ See Table IX for detail.

⁽²⁾ Appraisal of construction, obtained from City building permits records.

CITY OF ARLINGTON, TEXAS
EXPENDITURES BY SOURCE - SPECIAL REVENUE
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Criminal Justice Division</u>	<u>Park Performance</u>	<u>Street Maintenance</u>	<u>U.S. Army Corps of Engineers-Johnson Creek</u>	<u>Community Development Block Grant</u>	<u>Convention and Event Services</u>	<u>Other Special Revenue Funds</u>	<u>Total</u>
1994-1995	\$854	\$4,315	\$ -	\$ -	\$1,725	\$3,220	\$ 4,424	\$14,538
1995-1996	504	4,641	-	-	1,957	3,494	7,693	18,289
1996-1997	353	4,996	-	-	1,691	3,839	7,513	18,392
1997-1998	271	5,014	-	-	2,072	4,425	11,181	22,963
1998-1999	290	6,544	-	-	3,788	4,816	8,385	23,823
1999-2000	330	7,436	-	-	1,962	5,401	7,573	22,702
2000-2001	438	7,220	6,858	3,541	1,935	5,166	8,497	33,655
2001-2002	555	6,356	6,702	3,515	3,614	5,426	12,373	38,541
2002-2003	165	6,117	7,680	1,465	3,546	5,478	10,631	35,082
2003-2004	160	6,308	7,992	968	3,755	5,347	9,869	34,399

2003-2004 expenditures include the operations of the following funds:

Arlington Telecable
Auto Theft Prevention
Community Development Block Grant
Convention and Event Services
Court Security
Court Technology
Court Time Payment
Downtown Tax Increment Financing
Emergency Physicians' Advisory Board
Emergency Shelter Grant
Environmental Protection Agency
Federal Drug Enforcement Administration
Federal Emergency Management Agency
Federal Transit Administration
Gifts and Donations
Historic Preservation
Home Investment Partnership
Infrastructure Maintenance Reserve
Law Enforcement Officers Standards and Education
Motor Carrier Violations
Local Law Enforcement Block Grant
North Central Texas Council of Governments
Park Performance
Police Restricted
Street Maintenance
Supportive Housing Program
Tarrant County Narcotics Intelligence and Coordination Unit
Teen Court
Texas Commission on the Arts
Texas Criminal Justice Division
Texas Department of Aviation
Texas Department of Community Affairs
Texas Department of Transportation
Texas Historical Commission
Texas Parks and Wildlife
Texas State Library
U.S. Army Corps of Engineers - Johnson Creek
U.S. Department of Justice

CITY OF ARLINGTON, TEXAS
EXPENDITURES BY FUNCTION - SPECIAL REVENUE
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Public Health</u>	<u>Parks and Recreation</u>	<u>Public Welfare</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Total</u>
1994-1995	\$1,256	\$ 1,865	\$ 70	\$ 3,904	\$2,464	\$3,162	\$1,817	\$14,538
1995-1996	1,388	4,254	122	4,236	2,842	3,470	1,977	18,289
1996-1997	3,302	1,659	4	4,998	3,646	3,760	1,023	18,392
1997-1998	2,971	1,706	253	4,837	3,270	4,318	5,608	22,963
1998-1999	2,948	1,765	408	6,392	5,023	4,781	2,506	23,823
1999-2000	2,075	1,983	85	7,371	3,929	5,393	1,866	22,702
2000-2001	2,104	8,611 ⁽¹⁾	77	10,673	3,549	5,374	3,267	33,655
2001-2002	3,919	8,438	68	6,463	5,289	5,970	8,394	38,541
2002-2003	4,048	9,789	188	6,108	3,709	5,471	5,769	35,082
2003-2004	3,322	10,142	102	9,364	5,546	5,758	165	34,399

2003-2004 expenditures include the operations of the following funds:

Arlington Telecable
Auto Theft Prevention
Community Development Block Grant
Convention and Event Services
Court Security
Court Technology
Court Time Payment
Downtown Tax Increment Financing
Emergency Physicians' Advisory Board
Emergency Shelter Grant
Environmental Protection Agency
Federal Drug Enforcement Administration
Federal Emergency Management Agency
Federal Transit Administration
Gifts and Donations
Historic Preservation
Home Investment Partnership
Infrastructure Maintenance Reserve
Law Enforcement Officers Standards and Education
Motor Carrier Violations
Local Law Enforcement Block Grant
North Central Texas Council of Governments
Park Performance
Police Restricted
Street Maintenance
Supportive Housing Program
Tarrant County Narcotics Intelligence and Coordination Unit
Teen Court
Texas Commission on the Arts
Texas Criminal Justice Division
Texas Department of Aviation
Texas Department of Community Affairs
Texas Department of Transportation
Texas Historical Commission
Texas Parks and Wildlife
Texas State Library
U.S. Army Corps of Engineers – Johnson Creek
U.S. Department of Justice

⁽¹⁾ Increase due to addition of street maintenance fund.

TABLE XXII
(Continued on following page)

**CITY OF ARLINGTON, TEXAS
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2004 (Unaudited)**

Date of Incorporation	1884
Date of Adoption of City Charter	January 17, 1920
Form of Government	Council-Manager

Miles of Streets and Alleys

Streets - paved	2,029 Miles
Sidewalks	425 Miles

Miles of Wastewater

Storm	306 Miles
Sanitary	1,181 Miles

Fire Protection

Number of Stations	16
Number of Employees	296
Total Service Calls	28,734

Recreation

Parks - Number of Acres (Total System)	4,529
Multi-Purpose Recreation Centers	5
Tennis Courts	49
Swimming Pools	5
Miles of Park Trails	43
Sports Fields - Youth and Adult	54
Basketball Courts - Outdoor	24
Number of Golf Courses	4

Police Protection

Number of Stations	3
Number of Employees	524
Dispatched Calls	142,154

Library

Central Library	1
Branch Libraries	5
Book Stock (Net)	507,891
Circulation Service Transactions	1,574,926

TABLE XXII
(Continued)

CITY OF ARLINGTON, TEXAS
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2004 (Unaudited)

Education

	<u>Public</u>	<u>University</u>
Number of School Buildings	74	106
Number of Employees	7,905	6,161
Number of Students		
Registered	62,345	34,528
Number of Non-Teaching Personnel	3,824	
Persons 25 and older:		
Percent High School Graduates	84.9%	
Percent Bachelors or Higher	30.4%	
(Source: 2000 Census of Population and Housing Report)		

Municipal Water System

Number of Accounts	101,057
Average Daily Consumption - MGD	51.55
System Capacity - MGD	174
Miles of Water Mains	1,350
Number of Fire Hydrants	9,992

Number of Sewer Connections 94,052

Number of Street Lights 19,630

Employees (Full Time Postions) - September 30, 2004 2,157

Election

Registered Voters (As of May, 2004)	188,120
Number of Votes Cast in Last Municipal Election	3,919
Percentage of Registered Voters Voting in May 04 Municipal Election	2.08%

CITY OF ARLINGTON, TEXAS
MISCELLANEOUS STATISTICS
SEPTEMBER 30, 2004 (Unaudited)

<u>Fiscal Year</u>	<u>Square Miles Incorporated</u>	<u>Population⁽¹⁾</u>
1995	96.3	281,180
1996	96.3	286,293
1997	98.7	289,315
1998	98.7	293,991
1999	98.7	309,859
2000	98.7	332,969 ⁽²⁾
2001	98.7	339,215
2002	98.7	346,197
2003	98.7	351,719
2004	98.7	355,634 ⁽³⁾

⁽¹⁾ Population estimate based on percent occupancy in available residences. The method for estimating occupancy rates was revised beginning in FY 1998-1999.

⁽²⁾ Actual Census

⁽³⁾ Estimate as of March 31, 2004

Per Capita Personal Income

Source: Bureau of Economic Analysis. (Tarrant County) \$31,307

Unemployment Rate

Source: Bureau of Labor Statistics 4.5%

CITY OF ARLINGTON, TEXAS
PRINCIPAL TAXPAYERS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Name</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
General Motors Corporation	Auto Assembly Plant	\$202,561 ⁽¹⁾	1.35%
McKesson Drug Co.	Pharmaceutical	181,900	1.21
Oncor Electric Delivery Co.	Public Utility	147,290	.98
Parks at Arlington LP	Real Estate Holdings	122,382	.82
Southwestern Bell Telephone	Public Utility	92,064	.61
Six Flags Over Texas	Amusement Park	80,676	.54
Don Davis	Auto Dealer & Real Estate Holdings	50,112	.33
HCA - Arlington Inc.	Healthcare	35,300	.24
National Semiconductor	Computer Chip Mfg.	33,626	.22
EQR - Limited Partnership	Real Estate Holdings	32,265	.21
		<u>\$978,176</u>	<u>6.51%</u>

As of October 1, 2003.

⁽¹⁾ Value reflects reduction for abatement.

CITY OF ARLINGTON, TEXAS
ECONOMIC BACKGROUND (Unaudited)

LOCATION

The City of Arlington is located in eastern Tarrant County, Texas, equidistant between Dallas and Fort Worth and directly south of the Dallas/Fort Worth International Airport. The City's location places it at the geographical center of the Dallas-Fort Worth Metroplex.

Several bus and motor freight lines, as well as Union Pacific Railroad, are located in Arlington. Several airports catering to corporate aircraft, privately owned aircraft and air-freight carriers, including Arlington Municipal Airport, a City-owned and operated facility with a 6,080-foot paved runway and parallel taxiway, are located in the metropolitan area. There are also two commercial service airports in the area, DFW International Airport and Dallas Love Field. The City has two east/west Interstate Highways (I-20 & I-30) connecting it with Dallas and Fort Worth and two north/south limited access freeways which provide the City the best highway access in the Metroplex.

Public education is provided principally by the Arlington Independent School District which overlaps all but a small portion of the City. Serving a population of approximately 355,634, the public schools feature six high schools, twelve junior high schools, fifty elementary schools, one pre-kindergarten campus and five alternative schools. A professional staff of 4,081 serves a peak enrollment of 62,531 students.

Tarrant County College opened its Southeast Campus in Arlington during 1996. The 123-acre site features a current enrollment of approximately 9,231 students and has 430 employees. The college offers Associate degrees in Arts, Applied Sciences, and various Technical certificates.

The University of Texas at Arlington, founded in 1895, has a current enrollment of 25,297 students and offers 202 degree programs at the bachelor, master, and doctoral levels. The physical plant, located on a 396 acre campus, includes 105 University academic and dormitory buildings.

POPULATION

Arlington's location has facilitated a phenomenal population growth over the past four decades. Population at the 1950 Census was 7,692; at the 1960 Census, 44,755; at the 1970 Census, 90,643; at the 1980 Census, 160,113; and at the 1990 Census, 261,721. The 2000 Census population for Arlington was 332,969. The current population is estimated at 355,634.

CITY OF ARLINGTON, TEXAS
ECONOMIC BACKGROUND (Unaudited)

INDUSTRIAL AND BUSINESS

Arlington is "home" to one of the areas largest planned industrial developments. The Great Southwest Industrial District (GSID), is a 2,800 acre industrial park located almost entirely in Arlington.

Approximately 700 firms are located in the GSID. Some of the nation's finest "Blue-chippers" are located in this sprawling tract that has drawn more industry to Arlington each year since its inception in 1957 than most cities gain in a lifetime.

The GSID has an ideal location with excellent highway access. East-west highways that serve the GSID include I-30, I-20, U.S. 80, and Spur 303, and north-south highways include State 360, State 157, and State 183. The GSID also benefits from its close proximity to the Dallas-Fort Worth International Airport, which is located only 8 miles north of the GSID.

Arlington also has many other smaller developed industrial sites, and others await development. With all of these options for industrial location, Arlington can meet the needs of almost any type of manufacturing or warehousing operation.

Arlington's first industrial boom can be attributed to an industry giant which located in the City in 1951, the General Motors Assembly Plant. Other giants, including such outstanding companies as Bell Helicopter, National SemiConductor, and Siemens Dematic Postal Automation, have locations in Arlington.

Industry has viewed Arlington as the "opportunity frontier" and Arlington has seen industry as an economic blessing which brings highly-skilled personnel to enrich and enhance the City. Additionally, Arlington's low tax rates appeal to industry. Lastly, Arlington is a city where industry is welcomed and treated as a member of a close-knit family, all working for the betterment of the community.

CITY OF ARLINGTON
SCHEDULE OF INSURANCE IN FORCE
SEPTEMBER 30, 2004 (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Coverage</u>	<u>Limits of Liability</u>
General Liability ⁽¹⁾	\$1,000 per occurrence
Automobile Liability ⁽¹⁾	\$1,000 per occurrence
Law Enforcement Liability ⁽¹⁾	\$1,000 per occurrence
Public Officials Liability ⁽¹⁾	\$1,000 per occurrence
Workers Compensation ⁽²⁾	Statutory
Airport Liability	\$20,000
Property/Automobile Physical Damage/ Contractors Equipment	\$305,989
Electronic Data Processing Equipment	\$19,883
Valuable Papers	\$1,000
Boiler & Machinery	\$10,000
Blanket Bond	\$2,000
Comprehensive Crime Coverage	\$10 to \$250 per scheduled location

(1) Self-insurance provided by a bond program with a \$3,000 aggregate limit per year.

(2) Self-insured retention of \$350 per claim, with commercial insurance on claims exceeding those amounts.

CITY OF ARLINGTON, TEXAS
GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)

<u>Fiscal Year</u>	<u>Total Fund Balance</u>	<u>Annual Expenditures⁽¹⁾</u>	<u>Total Fund Balance as a Percent of Expenditures</u>
1994-1995	\$ 9,106	\$ 90,489	10.1%
1995-1996	10,252	94,062	10.9
1996-1997	11,461	101,480	11.3
1997-1998	15,264	105,840	14.4
1998-1999	19,095	113,833	16.8
1999-2000	18,221	127,280	14.3
2000-2001	19,659	133,496	14.7
2001-2002	20,707	144,316	14.3
2002-2003	20,806	146,946	14.2
2003-2004	25,317	152,923	16.6

⁽¹⁾ General Fund operating expenditures, excluding debt service.

**CITY OF ARLINGTON, TEXAS
SALES TAX REVENUE ANALYSIS
LAST TEN FISCAL YEARS (Unaudited)
(AMOUNTS EXPRESSED IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Sales Tax Receipts</u>	<u>Ad Valorem Tax Levy</u>	<u>Sales Tax as a Percent of Ad Valorem Tax Levy</u>	<u>Equivalent Tax Rate ⁽¹⁾</u>
1994-1995	\$32,307	\$54,305	59.5%	\$.382
1995-1996	34,660	58,375	59.4	.380
1996-1997	36,976	62,105	59.5	.381
1997-1998	37,573	64,955	57.8	.369
1998-1999	39,130	69,342	56.4	.360
1999-2000	43,384	72,829	59.6	.380
2000-2001	44,436	78,839	56.4	.358
2001-2002	41,173	85,675	48.1	.305
2002-2003	38,695	90,941	42.5	.270
2003-2004	39,664	97,321	40.8	.264

- ⁽¹⁾ Calculated by multiplying the ratio of sales tax receipts to the ad valorem tax levy by the City's ad valorem tax rate for each fiscal year. In fiscal 2004, the City's ad valorem tax rate was \$.6480 per \$100 valuation.